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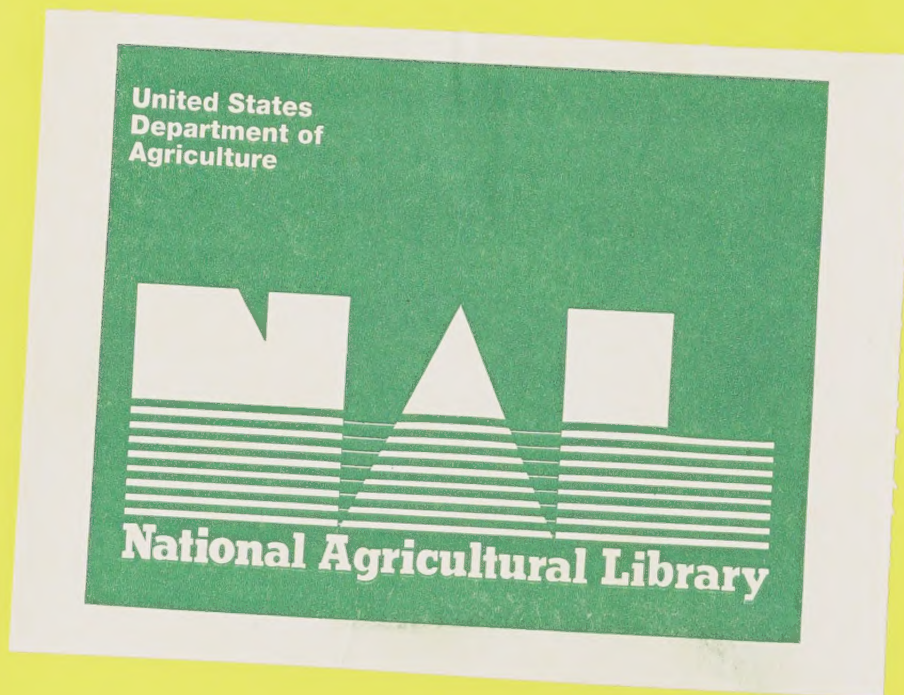
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FAS Staff Paper

THE JAPANESE GIFT MARKET

U.S.D.A., NAL





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Cataloging Prep

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1. Executive Summary

The Japanese gift market offers significant long-term business opportunities for U.S. manufacturers of high quality food and beverage products. This report is intended to provide a general orientation to the Japanese business environment and a basic understanding of fundamental market components. Market size, industry trends, competitive factors, import regulations, product distribution, and business opportunities are among the topics that are addressed. The following is a brief summary of the information presented in this document.

- ◆ During 1990, gift sales in Japan totaled more than \$75 billion (¥10.5 trillion) excluding cash gifts.
- ◆ Domestically produced products generate over 90% of total gift revenues.
- ◆ Sales of imported gift products expanded at an annual rate of nearly 70% from 1988 to 1989, largely due to reduced trade restrictions and growing consumer demand for foreign goods.
- ◆ Individual and business gift purchases account for 57% and 43% of total sales in Japan, respectively.
- ◆ Japanese consumers are highly brand conscious and have a strong preference for quality over quantity when making food purchases.
- ◆ Packaging and wrapping for food gift items is extremely important and can often be more significant than product contents.
- ◆ Most food gift shopping is done in department stores and general retail outlets. Product selection and store reputation are the two most important factors which influence where customers shop for gifts. Inexpensive pricing is relatively unimportant.
- ◆ The most promising business opportunities for U.S. food and beverage products appear to be in the premium gift market. Targeted consumers include young professionals and economically upscale individuals who are most likely to purchase high quality foreign food products.
- ◆ U.S. manufacturers interested in marketing food gift products in Japan should pursue direct sales opportunities with major retailers. Mail order should also be considered as a means of selling directly to Japanese consumers.

2. Market Assessment

2.1 Statistical Summary

Table 1
Gift Sales in Japan
¥1 Trillion (\$1 Billion)

Year	Individual Gifts	Business Gifts	Total Gifts
1985 (Est.)	¥5.1 (\$21.3)	¥3.4 (\$14.2)	¥8.5 (\$35.5)
1986 (Est.)	¥5.2 (\$30.8)	¥3.5 (\$20.7)	¥8.7 (\$51.5)
1987 (Est.)	¥5.5 (\$37.9)	¥3.7 (\$25.5)	¥9.2 (\$63.4)
1988 (Est.)	¥5.6 (\$43.8)	¥4.0 (\$31.2)	¥9.6 (\$75.0)
1989 (Est.)	¥5.8 (\$43.0)	¥4.2 (\$31.1)	¥10.0 (\$74.1)
1990 (Est.)	¥6.0 (\$44.4)	¥4.5 (\$33.3)	¥10.5 (\$77.7)

Source: Yano News and EPISTAT International, Inc.

2.2 Market Introduction

The custom of gift-giving is deeply ingrained in Japanese heritage and culture. It is a ritualized practice that often plays a key role in the development and maintenance of important personal and professional relationships. The practice of gift-giving began as people sought a simple way to celebrate personal, family, and community triumphs over the hardships of everyday life in Japan. Today, the custom of exchanging gifts has become considerably more complex and is now considered a required element of modern Japanese social and business etiquette. Gifts are frequently used to highlight or celebrate a wide range of individual, family, religious, and business occasions in Japan. The Japanese believe that, in many cases, gifts express feelings more accurately than words do.

Because of the great diversity of items which are given as gifts, it is extremely difficult to accurately determine the size of the gift market in Japan. According to most industry observers, sales of gifts in Japan generated a little over \$75 billion (¥10 trillion) in retail revenues during 1990. Over the past five years, gift sales have grown steadily at an average rate of approximately 4%-5% per annum.

The market for gifts in Japan is divided into two major segments -- individual gifts and corporate/business gifts.

2.3 Individual Gifts

Individual gifts, which account for approximately 57% of industry sales, are given primarily for social and cultural reasons. Selection of the item to be given, the

recipient, and the occasion for giving are all subject to individual style, but social conventions play a large role in determining situations where a gift should be given.

For any individual, there are virtually dozens of occasions on which it might be appropriate to give a gift in Japan. In general, these gift opportunities fall into one of three major categories:

- Seasonal Gifts;
- Personal Gifts; and,
- Greeting Gifts.

Table 2
Japanese Gift-Giving Occasions

Occasion	Average Gift Value (¥)	Annual Number of Gifts per Household	Annual Gift Expenditure per Household (¥)	Projected National Gift Expenditure (¥ Billion)
<i>Oseibo</i> (Year-end)	5,520	4.2	23,184	940
<i>Ochugen</i> (Mid-year)	5,210	3.7	19,277	782
<i>Toshidama</i> (New Year) - cash only	5,080	5.5	27,940	1,133
Total Seasonal Gifts	5,270	13.4	70,401	2,855
Weddings (Attending reception) - cash only	33,290	1.0	33,290	1,350
Weddings (Not attending reception) - cash only	9,310	0.9	8,379	340
Newborn Child	8,950	1.1	9,845	399
Entering School	12,090	0.5	6,045	245
Funeral - cash only	9,590	2.7	25,893	1,050
Reaching Adulthood (20)	17,040	0.1	1,704	69
New Job or School Graduation	15,390	0.1	1,539	63
Thank You	5,000	7.3	36,500	1,480
Housewarming	18,040	0.3	5,412	220
Get-well	9,470	1.1	10,417	423
Farewell	7,530	0.4	3,012	122
Milestone Anniversary	25,420	0.1	2,542	103
7-5-3 Celebration*	15,570	0.2	3,114	126
Birthday	8,530	0.4	3,412	139
Total Personal Gifts	13,944	16.2	151,104	6,129
Total Greeting Gifts	12,170	N/A	N/A	N/A
Total Gifts	12,400	16.2	221,505	8,984

*The third birthday for male and female children, the fifth birthday for male children, and the seventh birthday for female children are particularly significant in Japan and are occasions for special celebration.

Source: Sanwa Bank (May, 1989)

2.4 Seasonal Gifts

The giving of seasonal gifts is usually dictated by social custom. The two major seasonal gift periods for individuals during the year are *Ochugen* (mid-year) and *Oseibo* (year-end).

Ochugen are gifts that are usually given in late June or early July during the two week period preceding *Obon*, an important Buddhist event during which gifts of fruits and vegetables are traditionally offered to placate the spirits of the dead. Originally, *Ochugen* were given to comfort the families of those who had died during the first half of the year. *Ochugen* has now evolved into an occasion where gifts are exchanged between relatives to honor elderly family members. The custom has been expanded to include the presentation of gifts to business customers, friends, teachers and superiors who have been helpful or influential in one's life. Popular gift items for *Ochugen* include wine, beer and other types of alcoholic beverages, as well as coffee, tea, candy, cookies, cooking oil, fancy condiments, and clothing. Prices for such gifts typically range from \$20-\$75 (¥2,500-¥10,000).

Oseibo are gifts that are given during the first half of December to parents, relatives, friends, teachers, and superiors who have been helpful and provided important guidance. According to recent statistics collected by Sanwa Bank (see Table 2), the average Japanese household gives approximately four *Oseibo* each year. Year-end is one of the most important gift-giving occasions in Japan. Popular items selected for *Oseibo* include alcoholic beverages, special condiments, meat, dried fish and seaweed, coffee, tea, cooking oil, clothing and linen. Expenditures for these gifts tend to be slightly higher than for *Ochugen* -- normally in the range of \$50-\$75 (¥5,000-¥10,000).

The Ministry of International Trade and Industry (MITI) has estimated that total retail sales for Japanese department stores during 1989 surpassed \$77.7 billion (¥10.5 trillion), and that over 50% of this amount was generated through gift sales. Sales of *Oseibo* and *Ochugen* were approximately \$10.4 billion (¥1.4 trillion) and \$8.5 billion (¥1.15 trillion), respectively. According to some estimates, various food and beverage products account for over 90% of gift sales generated during these two holiday seasons.

Otoshidama, another major type of seasonal gift, are given in celebration of the New Year. Typically, newly printed money is given to one's own children, the children of close friends, and nephews and nieces. When visiting friends or relatives during this holiday, it is also customary to bring a small gift of tea, coffee, candy, cookies, or other food.

There are a number of other seasonal gift occasions in Japan, including those shown in the table below. Most of these are well known in the U.S.

Table 3
Seasonal Gift Occasions in Japan

Holiday	Popular Gifts	Price Range
Christmas	Electronics, sports equipment, toys & clothing	¥5,000-¥25,000
Father's Day	Clothing & accessories	¥3,000-¥10,000
Mother's Day	Flowers, clothing & accessories, cosmetics & gift certificates	¥3,000-¥10,000
Valentine's Day	Chocolates & other candy	¥500-¥3,000
White Day*	Candy & clothing	¥500-¥3,000

*White Day is an occasion on which men traditionally give women candy and clothing in return for gifts of chocolate and other candy received on Valentine's Day.

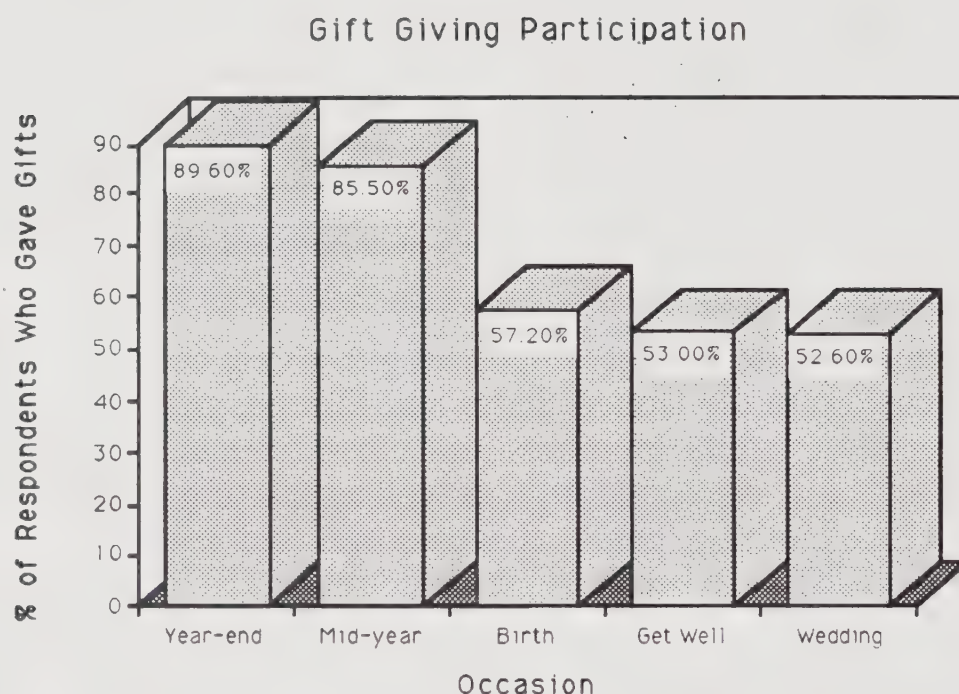
Christmas is becoming an increasingly important gift-giving occasion in Japan. As is sometimes the custom in the United States and Europe, gifts are exchanged on Christmas Eve between family members and close friends. Popular gifts for children include electronic games and toys, as well as sporting goods and clothing. Adult presents include clothing, personal accessories and jewelry. High quality food and beverage products are becoming more common gift items as the tradition of Christmas grows in Japan. This is particularly the case between friends and business acquaintances. It should be noted that many Japanese companies now send Christmas cards to their clients and business associates.

2.5 Personal Gifts

Personal gifts represent the second major category of individual gifts. In general, these are gifts that are given to family members, friends, co-workers and acquaintances in connection with a significant event. Occasions on which personal gifts are normally given include weddings, new births, birthdays, anniversaries, school graduations and housewarmings. All of these events are also celebrated with gift-giving in the U.S. Other occasions which may be less familiar to Americans, but where gifts are often given in Japan, include the commencement of a new job, promotions, school entry or advancement, and achievement of adulthood (age 20).

Weddings are major family events in Japan. It is not uncommon for a wedding ceremony to cost in excess of \$30,000-\$37,000 (¥4-¥5 million) and for parents to spend an equal or even greater amount on furniture, appliances, and other presents for the newlyweds. Individuals who are invited to the wedding are expected to also provide gifts, however, wedding gifts are almost exclusively cash. Occasionally wedding presents include small appliances, clothing, and home decorations.

Food and beverages are not usually given as gifts, although imported gourmet items are sometimes served at receptions. In a survey of 836 households taken by Sanwa Bank in May, 1989, over 50% of respondents had given at least one wedding gift within the past year.



Source: Sanwa Bank (May, 1989)

Gifts are also frequently given by relatives and close friends in celebration of the birth of a new infant, especially if it is a first child. Popular presents include clothing, toys, baby furniture, strollers and fresh-cut flowers. The typical budget for newborn gifts is \$35-\$70 (¥5,000-¥10,000).

A number of personal career achievements are usually recognized through gift-giving. Foremost among these are advancement to a new school, school graduation and commencement of a new job. Common gifts to commemorate these events include books, stationery, briefcases, watches, clothing and personal accessories. The cost of these gifts normally ranges from \$35-\$140 (¥5,000-¥20,000).

When an illness occurs in the family or among close friends and co-workers, gifts of fresh-cut flowers, fruit, candy or other sweets are often given. Cash is also frequently given to the sick. Prices for gifts may range anywhere from \$15 (¥2,000) for acquaintances to \$750 (¥100,000) for immediate family members.

The purchase of a new home is a major event in Japan. For most families, this achievement represents the culmination of a lifetime of hard work, sacrifice and saving. To celebrate this occasion, family, friends and co-workers will give relatively expensive gifts ranging in price from \$35 (¥5,000) for acquaintances to \$750 (¥100,000) for immediate family members. Popular gift items include small appliances, furniture, dinnerware, fine pottery, artwork and other home decorations.

The Japanese also recognize a number of special birthdays. Upon reaching the age of 20, an individual becomes an adult in Japanese society. This is viewed as a major milestone and is celebrated with gift-giving from parents and relatives. Typical presents for this occasion include clothing, watches, jewelry and personal accessories. Gift prices are usually in the range of \$70-\$140 (¥10,000-¥20,000). The third birthday for young male and female children, the fifth birthday for young male children and the seventh birthday for young female children are considered important and gifts are also given on these occasions. Because the Japanese revere age and experience, special birthday celebrations are reserved for individuals reaching the ages of sixty, seventy, seventy-seven, eighty-eight and ninety-nine.

2.6 Greeting Gifts

Greeting gifts are the third major category of individual gifts. In Japan, it is customary to give gifts to hosts when visiting on trips or for social events, such as parties. Food and beverage products, including confections, wine, alcohol, and local specialty foods are highly popular greeting gifts. Spending on these items normally ranges from \$15-\$70 (¥2,000-¥10,000), depending upon the occasion. Gifts given to the host of a special party are likely to be more expensive than those selected for a less formal visit.

2.7 Corporate/Business Gifts

Corporate or business gifts account for an estimated 43% of total gift sales in Japan. Gift-giving plays an important role in the development of business relationships.

It is a common practice to present a gift to new foreign business acquaintances, where the presentation of a gift signifies the confirmation of a long-term relationship. In most cases, the value of the gift is usually unimportant. Upon receipt of such a gift, it is considered proper etiquette to give a return gift of similar value in the near future. Preferably one should have a separate gift for each individual that attends an introductory meeting, and nicer gifts are usually presented to more senior associates. To make the best impression, gifts should be properly wrapped according to Japanese traditions. Typical business greeting gifts

include pens, business card wallets, appointment books, watches, gourmet foods, fancy condiments, cooking/salad oil and whiskey. Prices for these items ranges from \$20-\$75 (¥3,000-¥10,000).

Businesses also give gifts for seasonal and social occasions, as well as performance incentives to employees and customers. Seasonal and social gifts for businesses are similar to those given by individuals. The two major corporate gift seasons are *Ochugen* (mid-year) and *Oseibo* (year-end). In most cases, guidelines for gift purchases and spending are determined by one's level within the company. As a rule, the gifts that higher ranking executives exchange with each other are more expensive than the gifts exchanged among the managers below them. In addition to the exchange of presents within each corporate level, it is a common practice for junior employees to give gifts to their immediate supervisors. Premium brands of whiskey, scotch and brandy are among the most popular gifts for business, seasonal, and social occasions. Gourmet food items are also given in many instances.

According to a survey taken by Tokai Bank, Ltd., corporate employees spent an average of \$865 (¥116,872) during 1990 on condolence or congratulatory gifts and a large majority reported that most of their gift allowance was spent on co-workers or supervisors. It is estimated that since 1985, gift spending among corporate employees has increased by about 15% -- an average of about 3% per annum.

A variety of incentive gifts are commonly used by companies to encourage employee and customer performance. In most instances, cash, precious metals, jewelry, trips, cars, designer clothing, electronic entertainment equipment and other luxury items are given as presents to top employees and customers. Food and beverages are normally not purchased for corporate incentive programs.

2.8 Consumer Gift Shopping Behavior

Since the act of gift-giving is highly symbolic to the Japanese, it is not only the utility of the gift that is important. Also significant is the gift's packaging and wrapping, its manufacturer, the location where it was purchased, and the manner of presentation.

Japanese consumers are highly brand conscious and tend to purchase products with strong, positive market identities. They generally prefer quality over quantity. These attitudes heavily influence their purchasing decisions for gifts.

Japanese consumers will expend a considerable amount of effort to match the occasion and individual recipient with an appropriate gift. Brand, manufacturer, geographic origin, perceived product quality and status, price, and packaging are all important factors which a conscientious shopper evaluates in selecting a gift.

The attributes of the product that is ultimately chosen are normally dictated by the importance of the individual and the occasion. Even the store in which the gift is purchased carries significance in some instances.

In a nation-wide survey of 3,848 adult shoppers conducted by the Economic Planning Agency in February, 1990, it was found that most gift shopping takes place in either department stores or general retail shops. This finding is not surprising, since these stores tend to have an upscale market image and the type of quality merchandise most suitable for gifts.

Table 4
Preferred Gift Shopping Locations

Retail Location	Number of Respondents Who Purchased Items	Number of Items Purchased
Department Stores	2,100	11,970
General Retail Stores	1,515	9,242
Large Supermarkets	846	3,807
Cooperative Associations	534	2,189
Small Supermarkets & Convenience Stores	322	1,352
Large Specialty Stores	318	1,272
Mail Order Retailers	175	560
Others	804	4,422

Source: Economic Planning Agency (February, 1990)

In deciding where to shop for gifts, variety of selection and store reputation are the most important factors for the Japanese consumer. Product originality, customer service and store location are of secondary importance. Inexpensive pricing is relatively unimportant.

Table 5
Primary Factors Governing Selection of Gift Shopping Location

Primary Factor Governing Selection	Percentage of Respondents
Product Selection	25.8%
Reputation of Retailer	24.8%
Product Originality	11.7%
Customer Service	11.2%
Location	10.6%
High-Class Image	7.2%
Inexpensive Pricing	4.9%
Other	3.8%

Source: Economic Planning Agency (February, 1990)

2.9 Mail Order

A relatively new, but rapidly growing segment of gift retailing is mail order. In 1990, it is estimated that mail order accounted for approximately ¥1.5 trillion

(\$11.3 billion) or 1.3% of total retail sales in Japan. Mail order is becoming an increasing popular means of purchasing gifts because it offers convenience, competitive pricing, and excellent product selection, particularly for imported goods.

In recent years, there has been a major shift in the work habits and lifestyles of many Japanese families. Increasing numbers of women are joining the work force in an effort to improve the family standard of living. This change in basic lifestyle is similar to what has been taking place in the U.S. over the past three decades. Consumer trends in Japan also appear to be taking a parallel course.

Because of the increase in the number of working couples, the amount of leisure time available for retail shopping has been significantly reduced. Traditionally, Japanese women have borne responsibility for most family shopping activities. With less time to shop, working women are turning from traditional in-store buying to more convenient options, such as mail order. In response to this growing trend, a greater number of retailers interested in reaching this expanding group of economically advantaged consumers are now beginning to set up mail order operations.

Young single workers are another group of individuals who are turning to mail order as an alternative shopping method. Recent research suggests that the market for this consumer group is growing rapidly. Like working couples, these individuals have little free time to spend shopping. Gifts and other merchandise purchased through the mail are often less expensive than if bought in a store due to lower distribution and overhead costs incurred by the retailer. This factor is very attractive to younger workers who are operating on a limited budget.

Appendices C and D list the leading department stores and supermarkets. Most of these major stores are also involved in mail order marketing of food gift items to consumers. The following is a list of several other firms and organizations involved in direct marketing of food products to Japanese consumers:

AGS Tsusho
1-3-8, Shabakoen, Minato-ku, Tokyo 105
Tel.: (03)3434-6661 Fax.: (03)3434-3508

Ajitsu Corporation
Shibadaimon Takei Bldg., 3F
1-6-3, Shibadaimon, Minato-ku, Tokyo 105
Tel.: (03)3432-2570 Fax.: (03)3432-1355

Fuji Sankei Living Service Inc.-Wellness Division
 Fuji T.V. Daiichi Bekkan, 3F
 3-1, Kawadacho, Shijuku-ku, Tokyo 162
 Tel.: (03)3359-8240 Fax: (03)3353-7183

IMOSS Service
 Japan Postal Service Center
 3-19 Shinogawamachi, Shinjuku-ku, Tokyo
 Tel: (03)3235-2223 Fax.: (03)3235-2226

Nippon Suisan Kaisha, Ltd
 Nihon Bldg., 11F
 2-6-2 Otemachi, Chiyoda-ku, Tokyo 100
 Tel.:(03)3244-7106 Fax.: (03)3244-7426

2.10 Leading Retail Locations

According to some estimates, the gift business accounts for over 30% of retail sales for a number of major department stores. It is not surprising, therefore, to find that competition among stores for gift business is very intense, and that a significant portion of promotional efforts are devoted toward the development of gift sales, particularly during *Ochugen*, *Oseibo* and other prominent holidays.

Table 6
Leading Department Store Gift Sales

Store and Location Within Tokyo	Gift Sales as a Percentage of Total Sales (Est.)
Seibu - Ikebukuro	32%
Takashimaya - Tokyo	32%
Tobu - Ikebukuro	31%
Odakyu - Shinjuku	30%
Tokyu - Toyoko	30%
Daimaru - Tokyo	28%
Isetan - Shinjuku	28%
Matsuzakaya - Ueno	28%
Mitsukoshi - Honten (Nihonbashi)	28%
Keio - Shinjuku	27%

Source: Food Research Co., Ltd.: "Gift Research No. 23"

As mentioned earlier, variety of selection is one of the key factors which determines where consumers shop for gifts. Most major stores work very hard to maintain a wide range of suitable gift products, including popular imported items, such as wine, whiskey, beer, meat, seafood, specialty canned goods, fancy

condiments and other gourmet items. They are constantly searching for new product ideas.

Consequently, U.S. food product companies interested in the Japanese gift market should consider major department store chains as a primary sales target. Typically, Japanese consumers will shop in leading department stores if they are looking to purchase high quality imported food gifts. Being carried by a top department store can significantly enhance a product's image. It is not uncommon for individuals to purchase a food gift item at a prestigious store just so that it can be packaged in the store's special wrapping paper. U.S. food products companies should be aware of the fact that they can significantly enhance their brand image in Japan through careful screening and selection of retail distribution outlets.

Top-Selling *Oseibo* Gift Products for Major Department Stores

The following section lists the top-selling *Oseibo* food/toiletry gift products for several major Japanese department stores during December, 1989. (Source: Monthly Gift Magazine: July, 1990).

The Daimaru, Inc.

1. Assorted Hams
2. Beer and Wine
3. Dairy Products
4. Assorted Canned Goods
5. Dried Seaweed ("Nori")
6. Coffee & Tea
7. Alcoholic Beverages (whiskey, bourbon, etc.)
8. Dried Foodstuffs
9. Candy, Cakes & Confectioneries
10. Seasonings, Spices & Cooking Oil

Isetan Co., Ltd.

1. Ham
2. Various Gourmet Delicacies
3. Dried Seaweed ("Nori")
4. Western-Style Candy, Cakes & Confectioneries
5. Soap
6. Coffee
7. Canned Goods
8. Alcoholic Beverages (whiskey, bourbon, etc.)

9. Beer
10. Japanese Candy, Cakes & Confectioneries

Mitsukoshi Limited

1. Alcoholic Beverages (whiskey, bourbon, etc.)
2. Canned Crab
3. Ham
4. Tea
5. Various Fresh Foods

Odakyu Department Store Co., Ltd.

1. Beer
2. Western-Style Candy, Cakes & Confectioneries
3. Canned Goods
4. Seafood
5. Alcoholic Beverages (whiskey, bourbon, etc.)
6. Dried Noodles
7. Gift Certificates
8. Soap
9. Soft Drinks
10. Perishables

Tokyu Department Store Co., Ltd.

1. Ham
2. Cooking Oil
3. Seasonings
4. Seafood
5. Canned Foods
6. Soy Flavored Foods
7. Western-Style Candy, Cakes & Confectioneries
8. Japanese Sake
9. Alcoholic Beverages (whiskey, bourbon, etc.)

Top-Selling *Ochugen* Gift Products for Major Department Stores

The following section lists the top-selling *Ochugen* food gift products for several major Japanese department stores during the summer of 1988. (Source: Nihon Syokyoryo Shimbun: July, 1989).

The Daimaru, Inc.

<u>Product</u>	<u>1987-1988 Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	15%	5,000
2. Candy, Cakes & Confectioneries	5%	3,000
3. Fine Noodles	4%	3,000
4. Dried Seaweed ("Nori")	3%	5,000
5. Cooking Oil	0%	3,000
6. Soy Flavored Foods	0%	5,000
7. Soft Drinks	20%	3,000
8. Various Gourmet Items	0%	5,000
9. Canned Foods	5%	5,000
10. Beer Gift Certificates	0%	5,000

Hankyu Department Stores, Inc.

<u>Product</u>	<u>Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	25%	5,000
2. Fine Noodles	2%	5,000
3. Soft Drinks	4%	3,000
4. Dried Seaweed ("Nori")	0%	5,000
5. Soy Flavored Foods	3%	5,000
6. Coffee & Tea	5%	5,000
7. Candy, Cakes & Confectioneries	3%	3,000
8. Ham & Sausage	2%	5,000
9. Cooking Oil	-5%	3,000
10. Fruit	5%	5,000

The Hanshin Department Store, Ltd.

<u>Product</u>	<u>Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	15%	5,000
2. Dried Seaweed ("Nori")	0%	5,000
3. Fine Noodles	2%	5,000
4. Soy Flavored Foods	0%	3,000
5. Alcoholic Beverages	-2%	10,000
6. Various Gourmet Items	3%	3,000
7. Canned Foods	5%	10,000
8. Cooking Oil	-2%	3,000
9. Ham & Sausage	0%	5,000
10. Various Luxury Foods	2%	5,000

Kyoto Kintetsu Department Store Co., Ltd.

<u>Product</u>	<u>Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	12%	5,000
2. Fine Noodles	8%	5,000
3. Soft Drinks	8%	3,000
4. Ham & Sausage	8%	10,000
5. Alcoholic Beverages	5%	10,000
6. Dried Seaweed ("Nori")	6%	5,000
7. Candy, Cakes & Confectioneries	10%	3,000
8. Cooking Oil	8%	3,000
9. Canned Foods	10%	5,000
10. Japanese Tea	10%	5,000

Sogo Co., Ltd.

<u>Product</u>	<u>Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	20%	3,000
2. Fine Noodles	5%	3,500
3. Candy, Cakes & Confectioneries	10%	3,000
4. Dried Seaweed ("Nori")	5%	4,000
5. Cooking Oil	5%	3,000
6. Soy Flavored Foods	5%	4,000
7. Canned Foods	8%	5,000
8. Various Luxury Goods	5%	3,500
9. Ham & Sausage	5%	5,000
10. Japanese Liquors	5%	5,000

Takashimaya Co., Ltd.

<u>Product</u>	<u>Sales Growth</u>	<u>Average Price (¥)</u>
1. Beer	20%	3,000
2. Dried Foods	6%	3,000
3. Cooking Oil	5%	3,000
4. Dried Seaweed ("Nori")	3%	5,000
5. Soft Drinks	10%	3,000
6. Ham & Various Meats	8%	5,000
7. Various Luxury Goods	8%	3,000
8. Soy Flavored Foods	5%	3,000
9. Canned Foods	2%	5,000
10. Alcoholic Beverages	5%	5,000

2.11 Gift Packaging

Gift packaging and wrapping is extremely important in Japan. In fact, it would not be an exaggeration to say that in many cases the package is more significant than the food product inside. The proper packaging can create an image of quality and prestige for a gift food product.

Aware of this fact, Japanese product manufacturers often concentrate more effort on package design than on product contents. Consequently, it is not uncommon to find food gift packs, with individually wrapped single servings, where the cost of packaging exceeds the cost of the product itself.

For example, salad oil, a relatively common gift given for *Ochugen* and *Oseibo*, is normally packaged in elegantly labeled gift boxes, each containing two or more 400-600 gram cans of oil (often of different varieties). In this case, the exquisite packaging expresses the importance of the occasion and the relationship, while the gift contents (salad oil) conforms to the Japanese traditions of simplicity and practicality.

Cookies and cakes are popular food gifts that are typically packaged in fancy tins, boxes, or jars. It is not uncommon for manufacturers of these products to decorate their packages with exotic or brightly colored artwork. The incorporation of such artwork is specifically to create a unique and exclusive product identity.

Perhaps one of the most competitive product categories, with respect to packaging, is alcoholic beverages. Japanese breweries and alcohol distribution companies are constantly introducing new packaging concepts in order to improve their share of the market. Beer, for example, can now be found in over 100 different types of containers. Packaging for whiskey, vodka, and other alcoholic beverages is equally competitive. Fancy labeling and unique bottles or containers are considered primary marketing tools by manufacturers. In the alcoholic beverage market, a product's quality and perceived "status" among consumers is more frequently defined by the attributes of its container and labeling than by its taste.

American food product manufacturers should be aware that Japanese consumer tastes in package design can be significantly different from those of their American counterparts. For example, bright colors and "cute" designs that might only be used for children in the U.S. are commonly favored by young working women in Japan. Similarly, container shapes and designs that might be considered highly unusual in the U.S. are often big sellers in Japan.

It is also important to note that there are customs which govern the way in which food gifts are wrapped. Certain types of product packaging and wrapping should

be avoided. For example, gifts which contain four items should be avoided because the number four is considered bad luck in Japan -- the word for "four" is similar to the word for "death." In addition, black and white wrapping is used strictly for funeral gifts.

Major department stores in Japan can provide U.S. exporters with detailed guidance on gift packaging customs for all types of products.

3. Competition

According to most estimates, over 90% of gift products sold in Japan are produced domestically. Sales of imported food and beverages are growing strongly, however, due to reductions in import restrictions on many products and increasing consumer demand for foreign goods. According to statistics published by the Japan Gift Products Association, the wholesale value of import gifts grew from ¥4.9 billion (\$38.4 million) in 1988 to ¥8.3 billion (\$60.3 million) in 1989. This represents an annual growth rate of nearly 70%.

The Japanese market for all imported consumer goods, including gift products, has been expanding by over 40% per annum over the past few years. Imports from the U.S. have been generally growing even faster, increasing nearly 50% from 1987 to 1988. It is estimated that the United States currently controls over 12% of the total Japanese market for imported consumer goods.

For several years, the strong yen has significantly enhanced the real buying power of the Japanese in international markets. Overseas travel has increased the exposure of consumers to European and American products. This exposure has created a sharp increase in demand for high quality imported goods. According to a nationwide consumer survey conducted by the Manufactured Imports Promotion Organization (MIPRO), imported products can now be found in over 99% of Japanese homes.

Items manufactured in Japan are viewed by many consumers as being less expensive and of higher quality than comparable foreign products. However, it is also true that domestic goods do not enjoy the same level of uniqueness or prestige -- an important consideration for some gift products. Imported items, such as jewelry, designer clothing and other personal luxury items, including gourmet foods, are often preferred by Japanese consumers for gift occasions because of their sophisticated image and unique qualities.

4. Market Access

4.1 Import Climate

Historically, Japan has been a difficult market to penetrate for U.S. manufacturers of food and beverage products, principally due to the country's complex product distribution systems and the existence of strict import restrictions and tariffs. Although many of these obstacles still remain, recent changes in government trade policies have significantly improved the business potential in a number of product areas.

The following sections of this report address several issues related to the structure of the gift product market which may be of interest of U.S. exporters.

4.2 Food Sanitation Laws

All imported food and beverage products must comply with the standards set forth in Japan's Food Sanitation Law. Imported goods are required to be accompanied by an Import Notification Form that must be filed with the Food Inspector's Office, and additional documents that describe the product's ingredients, and methods of manufacturing, processing, and packaging. Japan's Food Sanitation Law restricts the food additives and raw materials that can be used in foods. Before trying to market a new food product in Japan, it is best to make sure that the product meets with Japanese regulations. To assist with this, an export product review service is available through the U.S. Department of Agriculture. A \$75 fee is charged per product per country. If a firm decides to take advantage of this program, the USDA's Washington office will forward information on one's product(s) to obtain clearance by the Japanese Health and Welfare Ministry. An application form and further details on the program can be obtained by writing to the following address:

Export Product Review Program
High Value Products Division
Room 4951 - South
Foreign Agricultural Service-USDA
Washington D.C. 20250-1000
Tel.: (202)720-3613 Fax.: (202)690-4374

It is the responsibility of the Inspector's Office to check all documentation in order to determine whether additional physical inspection of the product is required. Products that pass the Inspector's examination may be imported, while those that fail are deprived entry into Japan, pending the completion of further testing and/or documentation.

4.3 Import Tariffs and Taxes

The Harmonized System ("HS") is used in Japan for the classification of imports. There are currently tariffs in place for approximately 2,700 items. Specific information regarding tariffs for import products is contained in the "Customs Tariff Schedules of Japan," which is published annually by the Japan Tariff Association.

In addition to tariffs, imported and domestically produced gift products are subject to a general 3% consumption tax which was initiated by the Japanese government in April, 1989. Consumption tax is collected by retailers from consumers at point of sale.

4.4 Product Additives and Labeling

There are a number of mandatory product quality standards which are applicable to imported food and beverage items, including strict guidelines concerning the use of chemical additives. Under current regulations, many commonly used food colorings, preservatives, and flavoring agents cannot be incorporated in products exported to Japan.

A list of chemical compounds that are approved for use in food and beverage products has been established by the Ministry of Health and Welfare. In some cases, it may be necessary for foreign product manufacturers to re-engineer their products so that the ingredients used will be acceptable in Japan. More information regarding the use of chemical additives can be found in the English edition of "Japanese Standards for Food Additives," a publication produced by the Ministry of Health and Welfare.

It is important to note that government supervised testing of foreign products for harmful or restricted ingredients is often a requirement for new imports.

All products sold in Japan are required to be labeled in accordance with the "Standards of Labeling for Food, Additives, Equipment, and Packaging," the "Household Goods Quality Labeling Law," and other product-specific regulations. Although labeling requirements differ by product, food and beverage labels generally must contain the following information as a minimum:

- product name;
- manufacturer's name;
- manufacturer's address;
- product's country of origin;
- a list of raw materials and additives;

- quantity of product materials and additives; and,
- date of product manufacture.

A number of voluntary industry standards are also applicable to food and beverage products in Japan. In some cases, Japanese trading companies, wholesalers, retailers and consumers will look for compliance with these independent business standards as an indicator of quality, particularly for new imported products.

The Japanese Agricultural Standard, or "JAS" mark is one example of this type of voluntary standard. The Ministry of Agriculture, Forestry and Fisheries has responsibility for determining and administering JAS standards. There are approximately 400 JAS product standards in effect. An English language copy of these standards can be obtained through the Japan External Trade Organization ("JETRO").

In order to qualify for JAS certification, a product must undergo a series of rigorous and costly tests. Some companies have found that such certification has been somewhat helpful in gaining product acceptance among Japanese customers, although this has not been true in all cases.

4.5 Product Distribution

Japan's complex product distribution system has been a major market barrier to many U.S. product manufacturers. According to statistics published by the Census of Commerce, there are over 1.6 million retail stores in Japan, or one store for every 75 people living in the country. This is roughly twice the retail outlet density that is observed in the U.S. Japan also has approximately 430,000 wholesale outlets, or about one location for every 300 people. This, again, is about twice what is observed in the U.S.

The Japanese distribution system is based upon a social hierarchy and culture whose history extends back many generations. These cultural roots create within the system a strong orientation toward long-standing personal and business relationships which often override short term considerations of price, quality, and profit. This feature of distribution in Japan is best illustrated by the presence of *Keiretsu*, or closely-knit industrial groups of corporations. Companies within these groups share common ownership of stock and trade almost exclusively with other firms in their group. These family affiliations make it extremely difficult for foreign suppliers to market products to *Keiretsu* members.

In the distribution system for food gift products, there are frequently several layers of wholesale distribution sandwiched between the manufacturer or trading company and the retailer. The presence of so many layers adds significantly to the

ultimate cost of merchandise to the consumer. This was confirmed by a recent survey completed by the U.S. Department of Commerce and the Ministry of International Trade and Industry in which it was found that Japanese consumers pay an average of 47% more for comparable food products than American consumers do. The survey found that one typical gift item, Kentucky bourbon which sells for \$12.49 in the U.S., costs \$20.45 in Japan. Similarly, beer that retails for \$0.55 per can in the U.S. sells for \$1.41 on Japanese store shelves.

Another indicator of the overall efficiency of a distribution system is the W/R ratio (ratio of wholesale to retail sales), which in Japan is over twice the U.S. level for consumer goods.

Table 9
W/R Ratios
(Ratio of Wholesale to Retail Sales)

	Japan (1982)	U.S. (1982)	U.K. (1983)	France (1982)	W. Germany (1979)
Total Sales	4.24	1.90	2.03	1.57	1.67
Consumer Goods	2.13	1.00	-	0.73	0.90

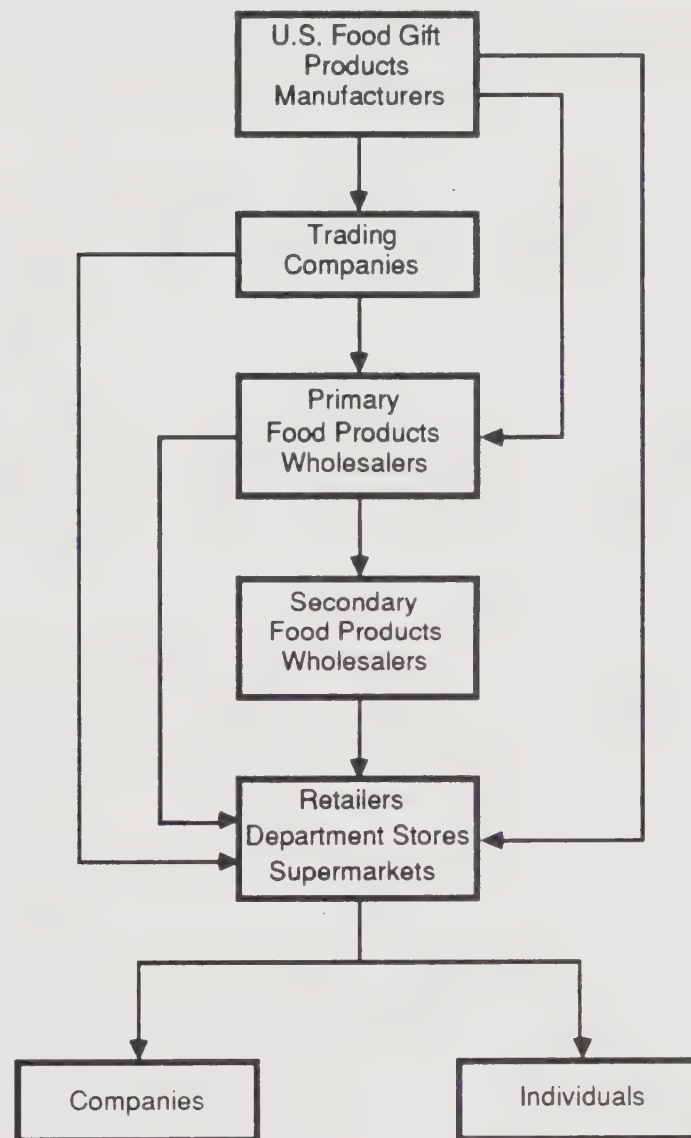
Sources: Census of Commerce (Japan), Census of Wholesale Trade (U.S.A.), Retailing, British Business (U.K.), Enquete Annuelle d'Entreprise dans le Commerce (France), Handels-und Gaststtzenzahlung (W. Germany).

Product return and rebate agreements running between suppliers and retailers further complicate distribution in Japan. Such agreements tend to confuse true pricing policies and standards, thereby making it extremely difficult for foreign distributors and manufacturers to effectively compete.

The complexity and sheer size of the Japanese retail distribution system makes it extremely difficult for most foreign companies to develop national distribution. American and other foreign manufacturers often use trading companies or "exclusive agents" to assist in the distribution of their food gift products in Japan. While this marketing strategy can be productive in the short run, serious problems may arise in the future if a close working relationship is not maintained with the agent or trading company. In some instances, trading companies and agents are reluctant to provide the product manufacturer with critical market information about product distribution, pricing, customer base and new market developments. It is for this reason that many foreign food product manufacturers choose to market directly to Japanese retailers, including major department stores and supermarket chains. The elimination of inefficient intermediaries often creates more economical pricing for the consumer and better profit margins for the retailer and the manufacturer.

The channel of distribution for domestic and imported food gift items will vary depending upon a number of factors, including the type of product and retail sales location.

The distribution diagram shown below is highly simplified. In most cases, food gift products pass through a number of intermediate wholesalers and agents before arriving on retailer's shelves. There are literally thousands of wholesale networks in Japan, each of which is designed to serve a specific group of retail locations. As mentioned earlier, the most popular places for purchasing food and beverage gift items are department stores and large general retail shops.



In general, a more complex distribution system will result in higher prices for retail customers. There exists a strong economic incentive, therefore, to utilize the most efficient sales channels available when merchandising products in Japan. U.S. manufacturers of gift food products should try to obtain the simplest avenue of distribution possible in order to preserve product price competitiveness. The

development of efficient trading relationships or joint ventures with knowledgeable Japanese partners, department stores, supermarkets and other retailers will also allow manufacturers to retain greater control over product sales, service and pricing.

4.6 Sources of Import Assistance and Business Contacts

There are a number of organizations which are familiar with the Japanese gift industry who may be able to assist potential exporters from the U.S. Address and telephone information for these contacts are provided in Appendix B.

Lists with information about major department stores, supermarkets, and wholesalers who are potential purchasers of U.S. gift products are provided in Appendices C, D and E.

5. **Trade Promotion Opportunities**

5.1 Trade Shows

Trade shows are popular in Japan and provide an excellent forum for introducing products to potential distributors and retailers. These events also offer a chance to gather important information about market conditions and products manufactured by Japanese and other foreign companies.

One of the most important trade shows is the International Gift Show which is held every February in Tokyo. The show includes exhibits from more than 500 companies and is attended by well over 100,000 people each year. According to some estimates, gift product sales resulting from this event exceed \$3.75 billion (¥500 billion) annually.

A list of major trade shows for the food and beverage gift industry is presented in Appendix F. U.S. companies interested in attending these events should contact the sponsors listed for brochures, show catalogs, and other exhibitor information.

5.2 Trade Publications

Trade journals and publications are a leading source of industry information. They can provide important data on product and market developments. Advertising published in these periodicals can also help a product manufacturer locate distribution assistance or other business support services. A list of major trade publications for the food and beverage gift industry appears in Appendix B.

6. Best Sales Prospects

The market for gift products in Japan is expected to maintain its current growth rate of approximately 4%-5% per annum over the next five years. Also expected is the continued aggressive expansion of import product sales, as government imposed trade restrictions are gradually reduced and consumer familiarity with foreign brand names increases.

Business opportunities for U.S. food and beverages appear most promising in the premium gift market segments, where pricing competition from domestic Japanese products is less effective and manufacturer profit margins are large enough to support the additional costs associated with international transactions.

Product marketing and promotional strategies adopted for the Japanese market should be designed to create a strong and positive brand identity among young professionals and economically secure individuals who are likely to purchase high quality American goods. Care should be taken in selecting upscale retail distribution channels which cater to these target market segments. U.S. manufacturers should consider direct sales channels to appropriate retailers as a means of controlling product pricing and distribution. Mail order should also be evaluated as a possible means of marketing products directly to Japanese consumers.

Special attention should also be given to product engineering and packaging. Serving sizes and labeling, for example may have to be modified. Manufacturers may also wish to develop gift packs and other types of packaging that are specifically designed for the Japanese market.

American products that are likely to sell well in the Japanese gift market include:

- wine
- whiskey, bourbon & other liquors
- beer
- ham & sausage
- frozen beef & beef jerky
- frozen, canned & dried seafood
- fancy condiments (sauces, jams, jellies, relishes, etc.)
- seasonings & spices
- cookies, candy and other confectioneries
- fresh fruits & vegetables
- cooking & salad oil

- gourmet foods
- coffee
- tea
- premium quality soft drinks
- fresh-cut flowers

With appropriate attention to product quality, brand image, distribution, and pricing, American food and beverages can be competitive in the premium quality segments of the Japanese gift market. Changes in government import regulations and consumer attitudes toward foreign goods are creating significant new trade opportunities for U.S. manufacturers of gift products.

Appendices

Appendix A

Exchange Rate Assumptions

The following currency exchange rates have been used in this report where applicable:

<u>Year</u>	<u>Rate</u>
1985	¥239/U.S.\$1.00
1986	¥169/U.S.\$1.00
1987	¥145/U.S.\$1.00
1988	¥128/U.S.\$1.00
1989	¥138/U.S.\$1.00
1990	¥135/U.S.\$1.00
After 1990	¥135/U.S.\$1.00

Appendix B

Gift Industry Related Organizations

The following is a list of organizations which may be of assistance to American companies who are interested in marketing gift products in Japan.

Government Organizations

U.S. Agricultural Trade Office
7th Floor, Tameike Tokyu Building
1-14, Akasaka 1-chome, Minato-ku
Tokyo 107, Japan
Phone: 03-3505-6050
Fax: 03-3582-6429

Foreign Commercial Service (FCS)
American Embassy, Tokyo
Unit 45004, Box 204
APO AP 96337-0001
Phone: 03-3224-5060
Fax: 03-3589-4235

Japan External Trade Organization ("JETRO")
Import Promotion & Cooperation Department
2-5, Toranomon 2-chome, Minato-ku
Tokyo 105, Japan
Phone: 03-3582-6076

Business & Trade Organizations

Japan Bar Association
1-1, Kasumigaseki 1-chome, Chiyoda-ku
Tokyo 100, Japan
Phone: 03-3580-9841

Japan Customs Brokers Association
New Diamond Building
4-4, Kasumigaseki 1-chome, Chiyoda-ku
Tokyo 100, Japan
Phone: 03-3508-2535

Tokyo Customs Brokers Association
5-9, Konan 5-chome, Minato-ku
Tokyo 108, Japan
Phone: 03-3474-5911

Japan Tariff Association
Editorial Section
No. 2 Jibiki Building, 8F
4-7-8, Koujimachi, Chiyoda-ku
Tokyo 102, Japan
Phone: 03-3263-7221

The American Chamber of Commerce in Japan
Fukide Building No. 2
4-2-21 Toranomom, Minato-ku
Tokyo 105, Japan
Phone: 03-3433-5381

The Japan Chamber of Commerce & Industry
Overseas Publishing Division
World Trade Center #505
2-4-2, Hamamatsu-cho
Minato-ku, Tokyo

Industrial Associations

All Japan Gift Goods Association
3-15-10, Kotobuki, Taito-ku
Tokyo 111, Japan
Phone: 03-3847-0691

Publishers

Gift
Published monthly in Japanese
Business Guide-Sha Inc.
2-6-2, Kaminarimon, Taitou-ku
Tokyo 111, Japan
Phone: 03-3843-9854

Gift Part 2

Published monthly in Japanese

Business Guide-Sha Inc.

2-6-2, Kaminarimon, Taitou-ku

Tokyo 111, Japan

Phone: 03-3843-9854

Gift Research

Monthly publication in Japanese

Shokuhin Kenkusha

507 Arusu, Ichigawa

4-8-30 Kudanminami, Chiyoda-ku, Tokyo 102

Phone: 03-3239-2550

Nikkei Gift

Published monthly in Japanese

Nikkei Business Publications, Inc.

3-3-23, Misakicho, Kanda, Chiyoda-ku

Tokyo 101, Japan

Phone: 03-3233-8471

Appendix C

Leading Department Stores

The following is a list of major departments who may be interested in marketing American gift products in Japan.

The Daimaru, Inc.
1-118, Shinsaibashi-suji, Minami-ku
Osaka 542, Japan
Phone: 06-271-1231

Hankyu Department Stores, Inc.
8-7, Kakuta-cho, Kita-ku
Osaka 530, Japan
Phone: 06-361-1381

The Hanshin Department Store, Ltd.
1-13-13, Umeda, Kita-ku
Osaka 530, Japan
Phone: 06-345-1201

Isetan Co., Ltd.
3-14-1, Shinjuku, Shinjuku-ku
Tokyo 160, Japan
Phone: 03-3352-1111

Kintetsu Department Store Co., Ltd.
702, Shichijo-Sagaru, Karasumadori, Shimogyo-ku
Kyoto 600, Japan
Phone: 075-361-1111

Keio Department Store Co., Ltd.
1-1-4 Nishi Shinjuku, Shinjuku-ku
Tokyo 160 Japan
Phone: 03-3342-2111

Matsuzakaya Co., Ltd.
3-16-1, Sakae Naka-ku
Nagoya-shi Aichi 460, Japan
Phone: 052-251-1111

Mitsukoshi Limited
1-4-1, Nihonbashi Muromachi, Chuo-ku
Tokyo 103-01, Japan
Phone: 03-3241-3311

Odakyu Department Store Co., Ltd.
1-1-3, Nishi-Shinjuku, Shinjuku-ku
Tokyo 160, Japan
Phone: 03-3342-3111

The Seibu Department Stores Co., Ltd.
3-1-1, Higashi-Ikebukuro, Toshima-ku
Tokyo 170, Japan
Phone: 03-3989-0111

Sogo Co., Ltd.
1-38, Shinsaibashi-suji, Minami-ku
Osaka 542, Japan
Phone: 06-281-3111

Takashimaya Co., Ltd.
5-1-5, Naniwa, Chuo-ku
Osaka-shi Osaka 542, Japan
Phone: 06-631-1101

Tokyu Department Store Co., Ltd.
2-24-1, Dogenzaka, Shibuya-ku
Tokyo 150, Japan
Phone: 03-3477-3111

Appendix D

Leading Supermarkets

The following is a list of some of the major Japanese supermarkets who may be interested in selling American gift products.

The Daiei, Inc.
2-4-1, Shibakoen, Minato-ku
Tokyo 105, Japan
Phone: 03-3433-9412
Fax: 03-3433-9449

Ito-Yokado Co., Ltd.
4-1-4, Shiba-Koen, Minato-ku
Tokyo 105, Japan
Phone: 03-3459-2111
Fax: 03-3434-8375

Izumiya
1-4-4, Hanazono-Minami, Nishinari-ku
Osaka 557, Japan
Phone: (06)657-3355
Fax: (06)658-0600

Jusco Co., Ltd.
1-1, Kanda-Nishikicho, Chiyoda-ku
Tokyo 101, Japan
Phone: 03-3296-7871
Fax: 03-3293-7303

Kotobukiya
3-3-3, Honjo
Kumamoto-shi 860, Japan
Phone: 096-366-3111
Fax: 096-372-7470

Nagasakiya Co., Ltd.
3-7-14, Higashi-Nihonbashi, Chuo-ku
Tokyo 103, Japan
Phone: 03-3661-3810
Fax: 03-3664-3843

Nichii Co., Ltd.
2-14, Awaji-cho, Higashi-ku
Osaka-shi 541, Japan

The Seiyu, Ltd.
3-1-1, Higashi-Ikebukuro, Toshima-ku
Tokyo 170, Japan
Phone: 03-3989-5111
Fax: 03-3989-3221

Appendix E

Leading Food Product Wholesalers, Importers, & Processors

The following is a list of major wholesalers who may be interested in marketing American gift food products in Japan.

K. K. Sanki
3-6-3, Honjyo, Sumida-ku
Tokyo 130, Japan
Phone: (03)3624-6121

Meidi-ya Co., Ltd.
2-2-8, Kyobashi, Chuo-ku
Tokyo 104, Japan
Phone: (03)3271-1111

Kasho Sales Co., Ltd.
1-11-9, Kayabacho, Nihonbashi
Chuo-ku, Tokyo 103, Japan
Phone: (03)3669-6081

Minato Co., Ltd.
1-5-30, Azabujuban, Minato-ku
Tokyo 106, Japan
Phone: (03)3402-9571

Kataoka & Co., Ltd.
2-3-13, Toranomom, Minato-ku
Tokyo 105, Japan
Phone: (03)3502-0251

Mitsui & Co., Ltd.
1-2-1, Otemachi, Chiyoda-ku
Tokyo 100, Japan
Phone: (03)3285-6042

Kanematsu Food System Co., Ltd.
2-3-8, Shiba, Minato-ku
Tokyo 105, Tokyo
Phone: (03)3453-7201

Nisimoto Trading Co., Ltd.
3-2-11, Kaigandori, Chuo-ku
Kobe-shi, Hyougo 650, Japan
Phone: (078)391-6911

Kikkoman Corp.
1-25, Nishikicho, Kanda
Chiyoda-ku, Tokyo 107, Japan
Phone: (03)3233-5511

Nisshoku Co., Ltd.
9-10, Nozaki-cho, Kita-ku
Osaka-shi 530, Japan
Phone: (06)313-1341

Kitano Shoji Co., Ltd.
1-11-8, Oyodominami, Kita-ku
Osaka-shi 531, Japan
Phone: (06)458-7801

Nissin Trading Co., Ltd.
5-1-4, Toranomom, Minato-ku
Tokyo 105, Japan
Phone: (03)3431-2333

Marubeni Food Co., Ltd.
3-3-2, Higashishinagawa
Shinagawa-ku, Tokyo 140, Japan
Phone: (03)3472-0714

Pokka Corp.
35-16, Daikancho Higashi-ku
Nagoya-shi, Aichi 461, Japan
Phone: (052)932-1471

Royal of Japan Co., Ltd.
12-7, Tomizawacho, Chuo-ku
Tokyo 103, Japan
Phone: (03)3661-1352

Sanei Corporation
4-1-2, Kotobuki, Taito-ku
Tokyo 111, Japan
Phone: (03)3843-3721

Shaddy K. K.
442-1, Abo-cho, Matsubara-shi
Osaka 580, Japan
Phone: (0723)36-5590

Suntory, Ltd.
1-2-3, Akasaka, Minato-ku
Tokyo 107, Japan
Phone: (03)3470-9720

Suzusho Co., Ltd.
2-10-9, Hongo, Bunkyo-ku
Tokyo 113, Japan
Phone: (03)3812-4201

Takaai Co., Ltd.
3-15-2, Nihonbashi, Chuo-ku
Tokyo 103, Japan
Phone: (03)3272-2363

Takara Shoji Co., Ltd.
1-9-19, Kajicho, Chiyoda-ku
Tokyo 101, Japan
Phone: (03)3256-6911

Taneyamagahara Co., Ltd.
2-10-5, Kotobuki, Taito-ku
Tokyo 111, Japan
Phone: (03)3842-2948

Appendix F

1991 Trade Shows

The following is a list of major trade shows which may be of interest to American companies who are interested in marketing gift products in Japan.

Show	Time	Location	Sponsor	Phone Numbers
Gift Festival	January & June	Nagoya	Gift Nippon Cooperative Union	Tel: 0572-23-8377 Fax: 0572-23-7040
All Japan Gift Festival - Spring "Tokyo"	January	Tokyo	Gift Goods Association of All Japan	Tel: 03-3847-0691 Fax: 03-3847-0694
International Gift Show - "Tokyo"	February & September	Tokyo	Business Guide - SYA, Inc.	Tel: 03-3843-9854 Fax: 03-3843-9850
Better Confectionery Show	February	Osaka	Weekly Seika Jiho Ltd.	Tel: 06-771-7093 Fax: 06-771-9435
'FOODEX Japan	March	Tokyo	Japan Management Association	Tel: 03-3434-6211 Fax: 03-3434-8076
International Gift Show - All Western Japan	March	Kobe	Business Guide - SYA, Inc.	Tel: 06-263-0075 Fax: 06-263-0074
Inter-Gift Osaka	March	Osaka	Osaka International Trade Fair Commission	Tel: 06-612-3773 Fax: 06-612-8585
All Japan Gift Festival - Osaka	March	Osaka	Gift Goods Association of All Japan	Tel: 03-3847-0691 Fax: 03-3847-0694
American Food Exhibitions	June-September	Varies by Year	U.S. Agricultural Trade Office	Tel: 03-3505-6050 Fax: 03-3582-6429
International Confectionary Tokyo	September	Tokyo	JES K.K..	Tel: 03-3350-8588 Fax: 03-3356-6200
The Osaka International Food Exhibition	September	Osaka	Japan Management Association	Tel: 06-261-7151 Fax: 06-261-5852
Kobe Import Fair	October	Kobe	Kobe Import Fair Council	Tel: 078-322-5337 Fax: 078-322-6073

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